LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY**, **DECEMBER 7**, **2004**, upon the application of **MUSTANG ENERGY**, **LC**.

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the 13,400' Sand, Reservoir C; Lower Textularia L-1 Sand, Reservoir A; Lower Textularia L-2 Sand, Reservoir A; Lower Textularia L-3 Sand, Reservoir A; Lower Textularia L-4 Zone, Reservoir A; and Lower Textularia L-4 Sand, Reservoir A, in the Bayou Sauveur Field, Terrebonne Parish, Louisiana.

- 1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and the production of gas and condensate from the 13,400' Sand, Reservoir C.
- 2. To dissolve the L TEX L-1 RA SUA, created by Office of Conservation Order No. 940-H-1, effective November 4, 1992, and confirmed by Office of Conservation Order No. 940-H-2, effective June 28, 1994, and to simultaneously therewith, create a revised drilling and production unit for the Lower Textularia L-1 Sand, Reservoir A.
- 3. To dissolve the L TEX L-2 RA SUA, created by Office of Conservation Order No. 940-K, effective November 4, 1992, and confirmed by Office of Conservation Order No. 940-K-1, effective June 28, 1994, and to simultaneously therewith, create a revised drilling and production unit for the Lower Textularia L-2 Sand, Reservoir A.
- 4. To dissolve the L TEX L-3 RA SUA, previously created by Office of Conservation Order No. 940-J-2, effective November 4, 1992, as confirmed by Office of Conservation Order No. 940-J-3, effective June 28, 1994, and to simultaneously therewith, create a revised drilling and production unit for the Lower Textularia L-3 Sand, Reservoir A.
- 5. To dissolve the L TEX L-4 RA SUA, created by Office of Conservation Order No. 940-L, effective November 4, 1992, and confirmed by Office of Conservation Order No. 940-L-1, effective June 28, 1994, and to simultaneously therewith, create a revised drilling and production unit for the Lower Textularia L-4 Zone, Reservoir A.
- 6. To force pool and integrate all separately owned tracts, mineral leases and other property interest within the units so created with each separate tract sharing in unit production on a surface acreage basis of participation.
- 7. To designate Mustang Energy, LC as the unit operator and their Pellegrin Price No. 2 ST well as the unit well or substitute unit well, as appropriate, at a location in exception to the well spacing provisions of Statewide Order No. 29-E.
- 8. To provide that any future replacement and/or alternate unit wells for the proposed units shall be exempt from the well spacing provisions of Statewide Order No. 29-E.
- 9. To provide that the Commissioner may reclassify the reservoirs by supplemental order and without the necessity of a public hearing should such reclassification to warranted, based on evidence furnished to and accepted by the Commissioner.
- 10. Except to the extent contrary herewith to continue in full force and effect all pertinent provisions of the 940-H, K, J and L Series of Office of Conservation Orders.
- 11. To consider such other matters as may be pertinent.

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BAYOU SAUVEUR FIELD 04-1100 thru 04-1105

The 13,400' Sand, Reservoir C, is hereby defined as being that gas and condensate bearing sand encountered between the depths of 13802' and 13820' (electrical log measurements), in the Mustang Energy, LC - Pellegrin-Price No. 2 ST, and is further defined as that sand encountered between the depths of 13,428' and 13,469' (electrical log measurements) in Mustang Energy, LC - Pellegrin Price No. 2 OH, both located in Section 15, Township 20 South, Range 16 East, Terrebonne Parish, Louisiana.

The Lower Textularia L-1 Sand, Reservoir A, was fully defined by Office of Conservation Order No. 940-H, effective October 22, 1991.

The Lower Textularia L-2 Sand, Reservoir A, was fully defined by Office of Conservation Order No. 940-K, effective November 4, 1992.

The Lower Textularia L-3 Sand, Reservoir A, was fully defined by Office of Conservation Order No. 940-J, effective October 22, 1991.

The Lower Textularia L-4 Zone, Reservoir A, is hereby defined as being that gas and condensate bearing zone encountered between the depths of 14436' and 14588' (electrical log measurements), in the Mustang Energy, LC - Pellegrin-Price No. 2 ST, located in Section 15, Township 20 South, Range 16 East, Terrebonne Parish, Louisiana.

Plats are available for inspection in the Office of Conservation in **Baton Rouge** and **Lafayette**, Louisiana. www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH COMMISSIONER OF CONSERVATION

Baton Rouge, La 10/26/04;10/29/04 L dnp

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.